

# HOUSE BILL 249

K4

2lr2770  
CF SB 335

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By: **The Speaker (By Request – Judicial Compensation Commission)**

Introduced and read first time: January 26, 2012

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Judges' Retirement System – Compensation, Contribution Rates ~~for New~~**  
3 **~~Members,~~ and Vesting Requirements**

4 FOR the purpose of altering the process under which the salary recommendations of  
5 the Judicial Compensation Commission go into effect; altering the rate of  
6 member contributions for ~~individuals who become~~ members of the Judges'  
7 Retirement System ~~on or after a certain date; requiring individuals who become~~  
8 members of the Judges' Retirement System on or after a certain date to earn a  
9 certain amount of eligibility service before becoming eligible to receive a vested  
10 allowance; and generally relating to the Judges' Retirement System.

11 BY repealing and reenacting, with amendments,  
12 Article – Courts and Judicial Proceedings  
13 Section 1–708  
14 Annotated Code of Maryland  
15 (2006 Replacement Volume and 2011 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – State Personnel and Pensions  
18 Section 27–202  
19 Annotated Code of Maryland  
20 (2009 Replacement Volume and 2011 Supplement)

21 BY repealing  
22 Article – State Personnel and Pensions

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1       Section 29–301  
2       Annotated Code of Maryland  
3       (2009 Replacement Volume and 2011 Supplement)

4 BY adding to  
5       Article – State Personnel and Pensions  
6       Section 29–301  
7       Annotated Code of Maryland  
8       (2009 Replacement Volume and 2011 Supplement)

9           SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That the Laws of Maryland read as follows:

11                           **Article – Courts and Judicial Proceedings**

12       1–708.

13           (a) The salaries and pensions of the judges of the Court of Appeals, the Court  
14 of Special Appeals, the circuit courts of the counties, and the District Court shall be  
15 established as provided by this section, §§ 1–701 through 1–707 of this subtitle, and  
16 Title 27 of the State Personnel and Pensions Article.

17           (b) (1) There is a Judicial Compensation Commission. The Commission  
18 shall study and make recommendations with respect to all aspects of judicial  
19 compensation, to the end that the judicial compensation structure shall be adequate to  
20 assure that highly qualified persons will be attracted to the bench and will continue to  
21 serve there without unreasonable economic hardship.

22           (2) The Commission consists of seven members appointed by the  
23 Governor. No more than three members of the Commission may be individuals  
24 admitted to practice law in this State. In nominating and appointing members, special  
25 consideration shall be given to individuals who have knowledge of compensation  
26 practices and financial matters. The Governor shall appoint:

27                           (i) Two members from a list of the names of at least five  
28 nominees submitted by the President of the Senate;

29                           (ii) Two from a list of the names of at least five nominees  
30 submitted by the Speaker of the House of Delegates;

31                           (iii) One from a list of the names of at least three nominees  
32 submitted by the Maryland State Bar Association, Inc.; and

33                           (iv) Two at large.

1           (3) A member of the General Assembly, officer or employee of the  
2 State or a political subdivision of the State, or judge or former judge is not eligible for  
3 appointment to the Commission.

4           (4) The term of a member is 6 years, commencing July 1, 1980, and  
5 until the member's successor is appointed. However, of the members first appointed to  
6 the Commission, the Governor shall designate one of the members nominated by the  
7 President of the Senate to serve for 3 years and one for 6 years; one of the members  
8 nominated by the Speaker to serve for 4 years and one for 5 years; the member  
9 nominated by the Maryland State Bar Association, Inc., to serve for 3 years; and one of  
10 the members at large to serve for 2 years, and one for 6 years. A member is eligible for  
11 reappointment.

12           (5) Members of the Commission serve without compensation, but shall  
13 be reimbursed for reasonable expenses incurred in carrying out their responsibilities  
14 under this section.

15           (6) The members of the Commission shall elect a member as chairman  
16 of the Commission.

17           (7) The concurrence of at least five members is required for any formal  
18 Commission action.

19           (8) The Commission may request and receive assistance and  
20 information from any unit of State government.

21           (c) On or after September 1, 2011, September 1, 2013, and every 4 years  
22 thereafter, the Commission shall review the salaries and pensions of the judges of the  
23 courts listed in subsection (a) of this section and make written recommendations to the  
24 Governor and General Assembly on or before the next ensuing regular session of the  
25 General Assembly. The Governor shall include in the budget for the next ensuing  
26 fiscal year the funding necessary to implement those recommendations, contingent on  
27 action by the General Assembly under subsections (d) and (e) of this section.

28           (d) (1) The salary recommendations made by the Commission shall be  
29 introduced as a joint resolution in each House of the General Assembly not later than  
30 the fifteenth day of the session. The General Assembly may amend the joint resolution  
31 to decrease any of the Commission salary recommendations, but no reduction may  
32 diminish the salary of a judge during his continuance in office. The General Assembly  
33 may not amend the joint resolution to increase the recommended salaries. [If the  
34 General Assembly fails to adopt or amend the joint resolution within 50 days after its  
35 introduction, the salaries recommended by the Commission shall apply. If the joint  
36 resolution is adopted or amended in accordance with this section within 50 days after  
37 its introduction, the salaries so provided shall apply.] **THE JOINT RESOLUTION**  
38 **SHALL BECOME EFFECTIVE ONLY IF PASSED BY THE GENERAL ASSEMBLY.** If the  
39 General Assembly [rejects] **FAILS TO ADOPT OR AMEND** any or all of the  
40 Commission's salary recommendations **CONTAINED IN THE JOINT RESOLUTION,** the

1 salaries of the judges affected remain unchanged, unless modified under other  
 2 provisions of law.

3 (2) The Governor or the General Assembly may not increase the  
 4 recommended salaries, except as provided under § 1-703(b) of this subtitle.

5 (e) The recommendation of the Commission as to pensions shall be  
 6 introduced by the presiding officers of the Senate and the House of Delegates in the  
 7 form of legislation, and shall become effective only if passed by both Houses.

8 (f) Any change in salaries or pensions adopted by the General Assembly  
 9 under this section takes effect as of the July 1 of the year next following the year in  
 10 which the Commission makes its recommendations.

11 (g) This section does not affect § 1-702(b), § 1-703(b), or §§ 1-705 through  
 12 1-707 of this subtitle, or Title 27 of the State Personnel and Pensions Article.

### 13 Article – State Personnel and Pensions

14 27-202.

15 (a) Except as provided in ~~subsection (b)~~ ~~SUBSECTIONS (B) AND (C)~~ of this  
 16 section, a member's contribution rate is ~~6%~~ 8% of the member's earnable  
 17 compensation.

18 (b) ~~THE CONTRIBUTION RATE FOR AN INDIVIDUAL WHO BECOMES A~~  
 19 ~~MEMBER ON OR AFTER JULY 1, 2012, IS 8% OF THE MEMBER'S EARNABLE~~  
 20 ~~COMPENSATION.~~

21 ~~(c)~~ After 16 years of service as a member, a member does not make any  
 22 further contributions.

23 [29-301.

24 This subtitle does not apply to the Judges' Retirement System.]

25 29-301.

26 (A) THIS SECTION APPLIES ONLY TO A MEMBERS OF THE JUDGES'  
 27 RETIREMENT SYSTEM WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2012.

28 (B) (1) A MEMBER MAY ELECT TO RECEIVE A VESTED ALLOWANCE IF:

29 (I) THE MEMBER IS SEPARATED FROM EMPLOYMENT  
 30 OTHER THAN BY DEATH OR RETIREMENT; AND

1                    (II) THE MEMBER HAS AT LEAST 5 YEARS OF ELIGIBILITY  
2 SERVICE.

3                    (2) A MEMBER IS DEEMED TO HAVE ELECTED A VESTED  
4 ALLOWANCE, UNLESS THE MEMBER REQUESTS THE RETURN OF THE  
5 ACCUMULATED CONTRIBUTIONS BEFORE MEMBERSHIP ENDS.

6                    (C) A VESTED ALLOWANCE IS A DEFERRED ALLOWANCE STARTING AT  
7 AGE 60.

8                    (D) A VESTED ALLOWANCE:

9                    (1) IS COMPUTED AS A RETIREMENT ALLOWANCE UNDER §  
10 27-402 OF THIS ARTICLE ON THE BASIS OF THE FORMER MEMBER'S  
11 CREDITABLE SERVICE AT THE TIME OF SEPARATION FROM EMPLOYMENT; AND

12                    (2) MAY BE PAID IN ONE OF THE OPTIONAL FORMS OF  
13 ALLOWANCES UNDER § 21-403 OF THIS ARTICLE, IF AT RETIREMENT, THE  
14 MEMBER DOES NOT HAVE A SPOUSE OR CHILD UNDER THE AGE OF 18.

15                    (E) (1) IF A FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE  
16 REQUESTS THE RETURN OF ACCUMULATED CONTRIBUTIONS BEFORE PAYMENT  
17 OF THE VESTED ALLOWANCE BEGINS, THE BOARD OF TRUSTEES SHALL RETURN  
18 THE ACCUMULATED CONTRIBUTIONS TO THE FORMER MEMBER.

19                    (2) WHEN ACCUMULATED CONTRIBUTIONS ARE RETURNED TO A  
20 FORMER MEMBER, THE FORMER MEMBER IS NOT ENTITLED TO FURTHER  
21 BENEFITS ON ACCOUNT OF THE FORMER MEMBER'S PREVIOUS MEMBERSHIP.

22                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 July 1, 2012.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.